

**MINUTES OF THE JOINT MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS
AND THE ROWAN SALISBURY BOARD OF EDUCATION
FEBRUARY 27, 2014 – 2:00 P.M.**

314 NORTH ELLIS STREET, SALISBURY, NORTH CAROLINA
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Present: Jim Sides, Chairman
Craig Pierce, Vice-Chairman
Jon Barber, Member
Mike Caskey, Member
Chad Mitchell, Member

Clerk to the Board Carolyn Barger, County Attorney Jay Dees and Finance Director Leslie Heidrick were present. County Manager Gary Page was absent.

Judge Willis Whichard was present. Judge Whichard served as the Mediator in prior meetings between the Rowan County Board of Commissioners and the Rowan Salisbury Board of Education.

Board of Education members present were: Dr. Richard Miller, Chairman, Kay Norman, Vice-Chair, Chuck Hughes, Josh Wagoner, Susan Cox, and L.A. Overcash. Also attending were Superintendent Dr. Lynn Moody, Clerk to the Board Patty Overcash and Attorney Richard Schwartz.

Chairman Sides convened the meeting at 2:00 p.m.

Ms. Norman led the Pledge of Allegiance and Dr. Miller called for a Moment of Silence.

CONSIDER APPROVAL OF THE AGENDA

Commissioner Barber moved, Commissioner Pierce seconded and the vote to approve the agenda passed unanimously.

1. DISCUSS FUNDING NEEDS FOR ROWAN-SALISBURY SCHOOL SYSTEM

Dr. Miller referred to a Mediated Settlement Agreement (Agreement) provided to the Board of Commissioners (BOC) prior to the meeting. Dr. Miller stated the Board of Education (BOE) had approved the Agreement.

Judge Whichard said in January the BOE asked him to declare an impasse in the mediation process. Judge Whichard continued by saying the attorneys had provided him with an update regarding the position of each board and he did not wish to declare an impasse as he felt the boards were close to an agreement. Judge Whichard thanked both boards for their willingness to reconvene in an attempt to resolve mediation.

In response to Judge Whichard, Chairman Sides said he could only speak for himself and he highlighted the points in the proposal that he could not support.

Members of both the BOC and BOE also shared their concerns and positions with various items in the Agreement.

Finance Director Leslie Heidrick said she had talked with the Local Government Commission (LGC) earlier in the day and the LGC was clear in that the dollars must be attached to a specific project with construction bids in hand.

Ms. Norman questioned the time period for the financing. Ms. Heidrick said the financing could be done July 1 each year over a four (4) year period.

Chairman Sides added that \$6.5 million could be allocated in 2014, \$12 million in 2015, \$2.5 million in 2016 and \$19 million in 2017.

Ms. Heidrick said the boards did not know how much the projects would cost and the LGC would not approve the financing without the bids in hand. Ms. Heidrick said the party that put forth funds for the planning would be repaid.

Chairman Sides said the LGC would not approve the financing until there was a project and collateral.

Attorney Richard Schwartz questioned the flexibility with the figures being discussed. Ms. Heidrick said there was a little flexibility; however, if the BOC started shifting millions, it would hit the County's fund balance harder. Ms. Heidrick said the most problematic year for the County would be in 2019 after all funds were drawn down.

While Dr. Miller called for a Closed Session for the BOE at 3:35 p.m., Chairman Sides called for a recess for the BOC at 3:35 p.m.

Chairman Sides reconvened the BOC at 3:50 p.m.

Mr. Schwartz highlighted some changes the BOE would like to consider in the Agreement.

After Mr. Schwartz presented the proposed changes for item G in the Agreement, Chairman Sides moved to not accept G and to remove item G. The motion was

seconded by Commissioner Pierce and passed 4-1 with Commissioner Barber dissenting.

Further discussion ensued regarding the use of lottery funds and sales tax monies.

Chairman Sides expressed his displeasure with the verbiage of the current proposal and stressed that he preferred a straight term sheet Agreement only without the extra language.

There was discussion regarding the \$6.5 million to be allocated for the proposed central office. Chairman Sides moved that no additional funds above the \$6.5 million approved by the BOC shall be added to the cost of the central office from any source within the current school system finances. The motion died for lack of a second.

Commissioner Mitchell moved approval of the Agreement with the changes discussed and to allow the attorneys to draft an agreement to be submitted to both boards. The motion was seconded by Commissioner Pierce and passed unanimously.

Judge Whichard declared the mediation to be in further recess to be resumed upon instructions from the (2) boards conveyed to the Mediator.

2. ADJOURNMENT

There being no further business to come before the Board, Commissioner Pierce moved to adjourn at 4:10 p.m. The motion was seconded by Commissioner Barber and passed unanimously.

Respectfully Submitted,

Carolyn Barger, CMC, NCCCC
Clerk to the Board/
Assistant to the County Manager